

ARTICLES OF ASSOCIATION

OF THE

MERCHANTS' BANK,

IN THE

CITY OF NEW-YORK.



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ARTICLES OF ASSOCIATION
OF THE
MERCHANTS' BANK,
IN THE
CITY OF NEW-YORK.

ARTICLES OF ASSOCIATION, *made and entered into at the City of*
New-York, this day
Witness,

THAT we, whose hands and seals are hereunto subscribed and affixed, have associated, and by these presents do associate ourselves, under and pursuant to the provisions of the Act of the Legislature of the State of New-York, entitled "An Act to authorize the business of Banking," passed April 18, 1838, and the Acts of said Legislature additional thereto and amendatory thereof, upon the following terms, for the purpose of conducting the business of Banking.

ARTICLE I.

SEC. 1. The name of this Association shall be, "THE MERCHANTS' Name and Place. BANK, IN THE CITY OF NEW-YORK," and its business of discounts and deposits is to be carried on in the City of New-York.

SEC. 2. The amount of its Capital Stock shall be \$1,500,000, Capital. divided into thirty thousand shares of fifty dollars each. Should it be deemed advisable at any future time that the Capital be enlarged, it may be so enlarged to a sum not exceeding \$5,000,000; provided three-fourths of the stockholders in interest assent thereto, but not otherwise.

Duration.

SEC. 3. The Association shall commence on the second day of January, one thousand eight hundred and fifty-seven, and shall terminate on and with the first day of January, one thousand nine hundred and fifty-seven.

ARTICLE II.

Powers.

SEC. 1. The object of the Association is to carry on the business of Banking, by discounting bills, notes, and other evidences of debt, by receiving deposits, by buying and selling gold and silver bullion, foreign coins and bills of exchange, for the purposes authorized by law; by loaning money on real and personal security; by issuing and circulating bills and notes as permitted by law; and by exercising all such incidental powers as shall be necessary to carry on such business; and also by exercising any and every other such additional power or powers that Associations formed under said act now are or hereafter may be authorized by law to exercise.

Dealings in land and merchandise, how far prohibited.

SEC. 2. The Association shall not deal or traffic in lands or merchandise, except it may purchase, hold and convey real and personal estate for the following purposes:

1. Such real estate as shall be necessary for its immediate accommodation in the convenient transaction of its business.

2. Such real and personal estate, or either, as shall be mortgaged or pledged to it, in good faith, by way of security for loans made by or moneys due to the Association.

3. Such real or personal estate as shall be conveyed or assigned to the Association, in satisfaction of debts previously contracted in the course of its dealings: And,

4. Such as it shall purchase at sales under judgments, decrees or mortgages held by the Association.

ARTICLE III.

How conducted.

SEC. 1. The powers of the Association shall be exercised, and its business be conducted by ~~thirteen~~ Directors. Every Director shall be a citizen of the United States of America, and shall own and hold,

Qualifications of Directors.

at all times, in his own right, at least twenty shares of the Capital Stock of the Association.

SEC. 2. The following persons shall be the first Directors of the Association, to wit : First Directors.

John J. Palmer,	William H. Townsend,
Benjamin Aymar,	John Auchincloss,
Robert L. Maitland,	~~Edward F. Sanderson,~~
Samuel T. Carey,	William E. Wilmerding,
Benjamin B. Sherman,	William A. Hadden,
Alexander T. Stewart,	Edwin A. Oelrichs ;

and they, as well as those persons who at any time hereafter shall be elected Directors of the Association, shall have and exercise all the powers and discharge all the duties herein or by law conferred or imposed on the Directors, and shall at all times exercise such powers and discharge such duties, until their successors shall be elected and take their seats, as hereinafter provided.

SEC. 3. The Directors herein appointed, and their successors, shall elect one of their number to be President of the Association. Election of President.

SEC. 4. A majority of the Directors for the time being, shall form a board or quorum for transacting the business of the Association, and the said board may from time to time commit or delegate such power to a committee of their own body, or to their President and Cashier, or either of them, as they may deem expedient, and such power may at pleasure annul and revoke. And the said Board shall have power to appoint a Cashier and as many officers, clerks, agents, and servants, for carrying on the business of the Association, and with such salaries and allowances as they shall deem expedient and proper ; and they shall also have power to make and prescribe such by-laws, rules and regulations not inconsistent with law or with these Articles, as they may deem expedient ; and to alter, suspend or repeal the same at pleasure ; and they shall also have power to remove from office such President, Cashier or other officers, clerks or agents at pleasure, and to appoint or substitute others in their stead. Board or quorum.
Appointment of Cashier and other officers.
To make By-laws.

ARTICLE IV.

The Board of Directors, out of the funds of the Association, shall Dividends.

defray all its expenses, and twice in each year may declare and pay such dividends as they may deem expedient, *and as shall be lawful*, out of the surplus profits of the Association, to the Stockholders, their authorized Attorneys, or their legal representatives; of which dividends notice shall be immediately published, for at least *ten* days, in two daily newspapers printed in the City of New-York. Any interest accruing on unclaimed dividends shall belong to the Association.

ARTICLE V.

Investments. SEC. 1. The Board of Directors may invest such portions of the funds of the Association as they may deem expedient, in such property as the Association may lawfully hold, and may transfer to, or deposit with the Comptroller, or other proper officer of the State of New-York, any portion of such property as may be lawful which they may see fit, to secure the payment of the notes which they may issue as money.

Transfer of stock. SEC. 2. The Board of Directors shall cause suitable books to be kept for the registry and transfer of the Shares of the Capital Stock of the Association, in which the names of its Shareholders shall be recorded, and every transfer to be valid shall be made on the books of the Association, and shall be signed by the Shareholder, his Attorney, or legal representative.

Effect of Transfer. SEC. 3. Every transfer of Shares of said Capital Stock shall be made and taken, expressly subject to all the conditions and stipulations contained in these Articles, and shall be executed and authenticated in such manner as the Board of Directors shall from time to time prescribe.

Closing transfer books. SEC. 4. The Board of Directors may close the transfer books from time to time, as the convenience of the Association may require.

ARTICLE VI.

Election of Directors. SEC. 1. The first election of Directors of the Association shall be held in the City of New-York, on the second Tuesday in January, in the year one thousand eight hundred and fifty-eight, and the annual election thereafter on the second Tuesday of January in each

year, at such time of the day and at such place in the City of New-York, as the Board of Directors for the time being shall appoint or designate.

SEC. 2. Notice of the election for Directors shall be published in two of the daily newspapers printed in the City of New-York, for at least ten days immediately preceding the day of election. ^{Notice of election.}

SEC. 3. At the first and every subsequent election for Directors of the Association, three persons shall be chosen by the Associates or Shareholders entitled to vote for Directors, as Inspectors of the next succeeding election, any two of whom shall be competent to act, but neither of said Inspectors shall be an Officer or Director of the Association. ^{Election of Inspectors.}

SEC. 4. The three following persons are hereby chosen and appointed as Inspectors of the first election for Directors of the Association to be held on the second Tuesday in January, in the year one thousand eight hundred and fifty-eight. ^{First Inspectors.}

Stewart Brown, Royal Phelps, John Q. Aymar,

any two of whom shall be competent to act, and the Board of Directors for the time being, are hereby authorized to supply any vacancy that may occur from time to time by the death or removal from the City of New-York, of any or either of said Inspectors above named, or of any Inspector or Inspectors who may hereafter be elected, or which vacancy may occur by the refusal to serve, or neglect to attend on the days of election of any Inspector or Inspectors. ^{Vacancies to be filled.}

SEC. 5. All elections for Directors of the Association shall be by ballot, and shall be conducted by the Inspectors agreeably to the conditions, requirements and provisions of Article 2, Title 2, Chap. 18, Part 1, of the Revised Statutes of the State of New-York. Each Stockholder shall be entitled, directly or by proxy, to one vote on each share of the Capital Stock of the Association owned and held by him in his own name, for at least thirty days previous to the election; and the ~~twelve~~ persons who at each annual election hereafter to be held, shall have the greatest number of votes, shall be the Directors. ^{Election of Directors.} ^{Number of Directors.}

Chosen

Organize after election.

SEC. 6. The Directors thus elected shall take their seats at the Board on the day succeeding the second Tuesday in January in each year, and shall as soon as may be, proceed to organize and to elect by ballot one of their number to be President of the Association. And if any Director of the Association shall cease to hold in his own right, twenty shares of the Capital Stock of the Association, he shall thereby vacate his place as such Director, and whenever any vacancy shall happen, from any cause whatever, the same shall be filled for the remainder of the year by such person or persons as the Directors for the time being, or a majority of them shall appoint.

Failure to elect Directors.

SEC. 7. The failure, for any cause, to elect Directors on any day whereon such election should have been held, as herein specified or appointed, shall not dissolve the Association, but it shall be the duty of the Board of Directors to notify and cause such election to be held within sixty days after the day herein designated for the annual election.

ARTICLE VII.

Duties and powers of President.

SEC. 1. The President of the Association for the time being, shall preside at any meeting of the Board of Directors at which he shall be present, and the said President is hereby indicated as the officer to whom conveyances shall be made of real estate, to take, hold and convey the same in behalf of the Association, according to the provisions of the said Acts of the Legislature; and he is hereby authorized and empowered in his name as such President, or in the name of the Association, and under the direction of the Board of Directors to collect, receive and sue for, any moneys or property due or belonging to the Association, or to compound for the same; to submit to arbitration any controversies in which it may be involved; to cancel and satisfy, on payment or compromise, any mortgage, judgment or decree, which it may hold, and to release and discharge the whole or any part of the property mortgaged or encumbered; and also to sell and transfer any public debt, stocks or other property belonging or pledged to the Association; and to receive any dividends arising therefrom; and for any of the foregoing or other similar purposes, an Attorney *at law or in fact* under him at any time to appoint.

SEC. 2. In case of the absence or inability of the President, for

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any cause, to act as President, the Board may elect a Chairman or President pro-tem., with power to perform the duties of the President, until the inability shall cease, or until a new President shall be appointed.

President pro tem.

SEC. 3. The President and Cashier shall sign all Certificates of Stock to be issued by the Association.

Certificates of stock to be signed.

SEC. 4. The Cashier shall keep minutes of the proceedings of the Board of Directors, or in his absence they shall be kept by the President, Chairman or President pro tem., or a person authorized by him.

Minutes.

ARTICLE VIII.

SEC. 1. A majority of all the Directors elected, may in their discretion accept and exercise any additional powers or privileges which may at any time be conferred upon the Association, either by amendment of the Acts under which it is formed, or by any new enactment.

Additional powers and privileges.

SEC. 2. Such majority may also apply for, and accept any Act or Acts of Incorporation for Banking purposes, and upon such conditions as they may deem expedient; and may cause to be transferred and conveyed to the body corporate so to be created, all the property of the Association.

Directors may accept Act of Incorporation.

SEC. 3. Two-thirds in number of the Directors for the time being, may at any time or times hereafter, propose amendments to these Articles. Such amendments shall be published at length, once in each week, for at least three successive weeks, in two daily newspapers printed in the City of New-York; and if after such publication, Shareholders holding in their own right a majority of all the Shares of the Capital Stock then existing, shall consent to such amendments, by an Act in writing, by them or their authorized Attorney or Attorneys; such amendments, on recording the same, together with such written act of consent, in the offices, and in the manner provided by law for filing or recording the Certificate of Association, shall become and be a portion of these Articles.

Amendment of Articles.

ARTICLE IX.

It being desirable that this Association shall, so far as practicable,

take the place of the present Bank, known as "The President, Directors and Company of the Merchants' Bank, in the City of New-York," whose charter will expire on the first day of January, one thousand eight hundred and fifty-seven, and to secure to this Association the benefit and advantage of the business of the said Bank, it is agreed as part of the Articles of this Association, that any of the Stockholders of the said present Bank may become members of this Association and receive a number of shares therein, equal to the number of shares they may hold in the present Bank, provided they shall do so on or before the first day of July next.

ALL THESE ARTICLES, We, the undersigned Associates, for ourselves, our several and respective Executors, Administrators and Assigns, each for himself, and not one for another, Do **HEREBY**, severally and mutually covenant and agree to stand to, abide by and perform. And in testimony hereof we have hereunto, at the City of New-York, on the day and year first above written, set our hands and seals, and have specified opposite to our respective seals, our respective places of residence, and the number of Shares of the Capital Stock of the said Association, taken and held by us respectively, subject to all the terms, conditions and stipulations contained in the foregoing Articles.